

EMS Transport Reimbursement Program

Ashby Ponds
November 22, 2013



Joint Legislative Audit Review Commission (JLARC) 2004 Report on Emergency Medical Services

“Emergency medical service agencies should actively consider billing patient’s health insurance policies for the services and transportation provided.”



Reimbursement for Services is Not New

- Number of agencies seeking reimbursement in Virginia has increased dramatically in the last ten years.
- 544 Municipal and Volunteer Fire & Rescue agencies in the State
- 341 Agencies in Virginia currently are reimbursed (63%)
- Both volunteer and career Agencies



CURRENT EMS ANNUAL EXPENDITURES - Loudoun

Elements to providing EMS	Annual Cost
County Career Personnel (106.40 FTE)	\$8.43 Million
Contribution to Volunteer Rescue Companies (includes Combined Fire and Rescue Companies)	\$3.58 Million
Debt Service for Ambulances Purchases and Stations (Construction/ Renovations)	\$1.76 Million
Total of these EMS Elements (further costs exist for equipment, training, supplies, and other operating costs that are not included)	\$13.77 Million



EMS REIMBURSEMENT PROGRAM TYPE

- Insurance Reimbursement only
- “Soft” billing
- “Medium” billing
- “Hard” billing



Preliminary Findings and Recommendations > *Billing Program Types and Policy Considerations*

Major Types of EMS Billing and Collections Programs	Aspects of Each of these Programs
1.) Insurance Reimbursement (Only)	<ul style="list-style-type: none"> ➤ Only invoices sent to insurance carriers ➤ Hardship waivers available for “self-pay” patients ➤ No billing or collection efforts for co-pays
2.) “Soft”	<ul style="list-style-type: none"> ➤ Co-pays are pursued ➤ Three notices / invoices sent out; 30, 60, & 90 days
3.) “Medium”	<ul style="list-style-type: none"> ➤ Accounts receive same treatment from billing vendor (as listed above) ➤ However, at the 180 day mark, sent to treasurer for collection efforts, as with other County debts
4.) “Hard”	<ul style="list-style-type: none"> ➤ Patients will receive three notices / invoices ➤ At the 180 day mark, series of “Dunning Letters” sent ➤ If no payment at the 270 day mark, the account will be reported to credit bureau as a “bad debt”



Comparative Programs and Practices >

Agency and program start date	Transport Volumes and Call Types in 2012	Reimbursement Charged	Payor Mix	Type of Program
Chesterfield County, VA (Program started in 2002)	BLS – 8,383 ALS1 – 16,875 ALS2 – 558 Total – 25,816	BLS – \$394.00 ALS1 – \$468.00 ALS2 - \$677.00	Medicare – 39% Medicaid – 11% Third-Party Ins. – 37% Self-Pay – 13%	“Insurance Reimbursement Only”
Fairfax County, VA (Program started in 2007)	BLS – 12,087 ALS1 -33,935 ALS2 – 465 Total – 46,487	BLS – \$400.00 ALS1 – \$500.00 ALS2 - \$675.00	Medicare – 43% Medicaid – 1% Third-Party Ins. – 42% Self-Pay- 14%	“Soft” billing and collection efforts



Comparative Programs and Practices >

Agency and program start date	Transport Volumes and Call Types in 2012	Reimbursement Charged	Payor Mix	Type of Program
Prince William County, VA (Program started in 2011)	BLS – 5,273 ALS1 – 13,184 ALS2 – 377 Total – 18,834	BLS – \$400.00 ALS1 – \$500.00 ALS2 – \$700.00	Medicare – 39% Medicaid – 9% Third-Party Ins. – 41% Self-Pay – 11%	“Insurance Reimbursement Only”
Stafford County, VA (Program started in 2006)	BLS – 2,108 ALS1 – 5,270 ALS2 – 151 Total – 7,529	BLS – \$400.00 ALS1 – \$500.00 ALS2 – \$675.00	Medicare – 37% Medicaid – 9% Third-Party Ins. – 45% Self-Pay – 9%	“Insurance Reimbursement Only”
Fredrick County, MD (Program started in 2003)	BLS – 9,830 ALS1 – 14,880 ALS2 – 504 Total – 25,214	BLS – \$420.00 ALS1 – \$600.00 ALS2 – \$700.00	Medicare – 52% Medicaid – 10% Third-Party Ins. – 32% Self-Pay – 6%	“Soft” billing and collection efforts

EMS REIMBURSEMENT PROGRAM TYPE

Key Policy Choice

- Use a middle of the road, *Soft Billing* program model
- Reimbursement bills will be sent to insurers and co-pays are pursued via 30-, 60-, and 90-day notices/invoices
- Accounts are written off if no payment is received after the third notice
- NO turnover to collections



EMS REIMBURSEMENT RATES

Medicare/ Medicaid

BLS Emergency (A0429) Medicare / Medicaid Reimbursements	ALS 1 Emergency (A0427) Medicare / Medicaid Reimbursements	ALS 2 Emergency (A0433) Medicare / Medicaid Reimbursements	Mileage Medicare / Medicaid Reimbursement s
Medicare Allowable: \$350.54	Medicare Allowable: \$416.27	Medicare Allowable: \$602.50	Medicare Allowable: \$7.09
Medicaid Payment: \$125.00	Medicaid Payment: \$125.00	Medicaid Payment: \$125.00	Medicaid Payment: \$7.09



EMS REIMBURSEMENT RATES

EMS Responses Mix

Medical Support of EMS Transports in Loudoun County	% of EMS Responses	EMS responses
BLS	28%	3,916
ALS	70%	9,790
ALS-2	2%	280
TOTAL	100%	13,986



EMS REIMBURSEMENT RATES

Factoring “Market-Driven” Rates	All Data Elements Considered
Analysis of Private Sector Transport Agencies	<ul style="list-style-type: none"> ➤ AMR (Conn) - \$1,100.00 ➤ Rural-Metro (Fulton County, GA) - \$1,050.00 ➤ TransCare (NY) – \$1,350.00
Transport Averages / Specific Base Rates on West and East Coasts	<ul style="list-style-type: none"> ➤ Average in CA - \$1,486.00 ➤ State of Utah – BLS-\$785.00 & ALS-\$1,148.00 ➤ Philadelphia, PA– BLS-\$900.00 & ALS-\$1,100.00
Average CPI in the Last Seven Years	<ul style="list-style-type: none"> ➤ 2005 – 3.4% , 2008 – 3.8%, 2011 – 3.2% ➤ 2006 – 3.2%, 2009 – (0.04)%, 2012 – 2.1% ➤ 2007 – 2.8%, 2010 – 1.6% ➤ Average: 2.51%
JEMS Survey of Top 200 Cities – 2012	<ul style="list-style-type: none"> ➤ Average BLS Emergency – \$640.77 ➤ Average ALS 1 – \$773.28 ➤ Average ALS 2 - \$906.05



EMS REIMBURSEMENT RATES

Proposed Schedule

BLS Emergency (A0429)	ALS 1 Emergency (A0427)	ALS 2 Emergency (A0433)	Mileage
<u>\$467.00</u>	<u>\$660.00</u>	<u>\$770.00</u>	<u>\$11.00</u>

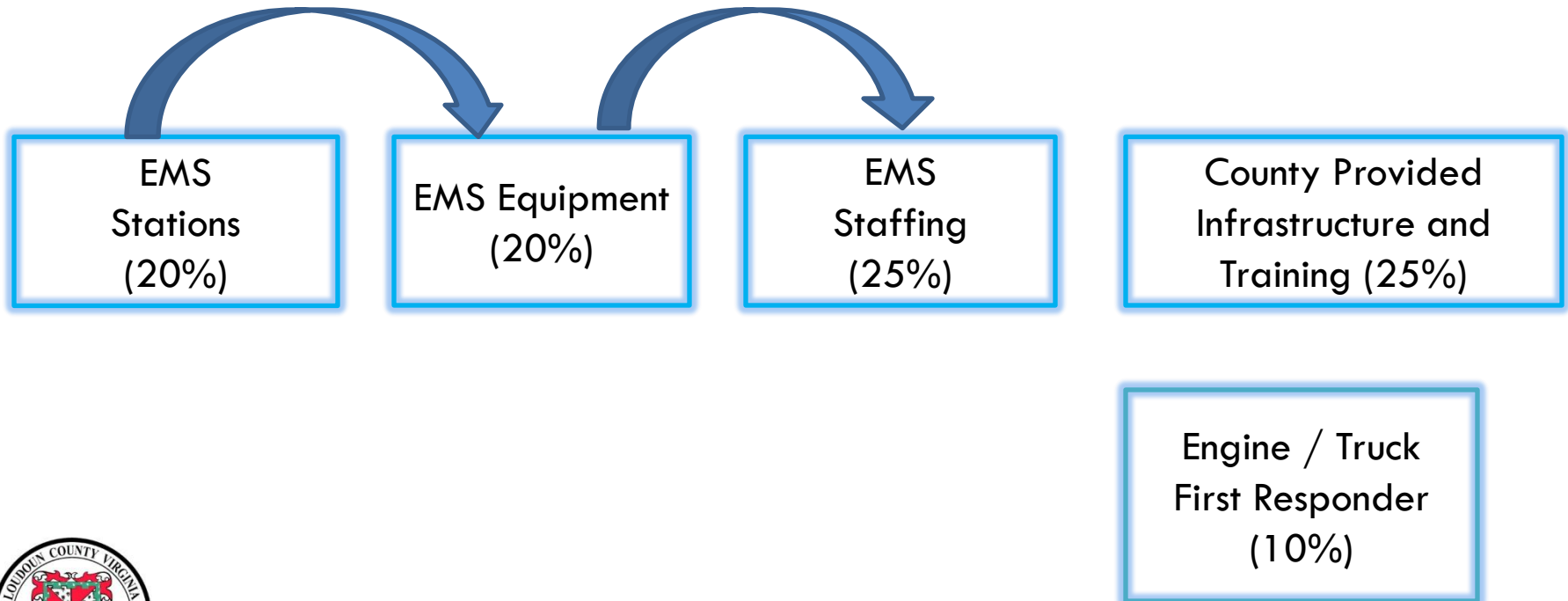


- Estimated Gross Revenue for the Emergency Medical Services System (soft billing regime) \$5.38M
- Estimated Cost of the EMS Recovery Program est. \$0.9M (full year)
- Estimated Net Revenue for the Emergency Medical Services System \$4.50M
- Estimated Cost of the Emergency Medical Services Program \$13.77M
- Funds (Net Revenue) will be reinvested in volunteer fire and rescue companies and the county's EMS service to support their services including ambulances, equipment, supplies, infrastructure, and personnel



REVENUE SHARING FORMULA

➤ Each “Box” Represents a “Revenue Earning Point”



What this program will NOT do

- Change the manner in which EMS services are provided.
- Increase any liability to providers
- Create any cost/liability to those calling 911
- Ability to pay not a factor in providing care



What this program will do

- Allow to infuse more funds into the Combined F&R System without affecting tax rate
- Providing the best quality equipment for our providers (first responders)
- Enhance our continuing education programs for our providers using the latest digital technology, which will result in saving costs the County



No person will ever be denied EMS transportation by the Combined Fire and Rescue System affiliated companies to the emergency room as a result of an inability to pay, lack of insurance or for whatever reason, they are not enrolled in Medicare, or they are not a Medicaid recipient.



Proposed Implementation Timeline

Public Hearing – December 11, 2013

Ordinance Approved – December 2013/January 2014

3rd Party Billing Company Contracted – Spring 2014

Ordinance Effective – July 1, 2014 (likely)



QUESTIONS?

www.loudoun.gov/emsreimbursement



November 20, 2013